

CITY OF MORGAN HILL  
SPECIAL CITY COUNCIL MEETING  
MINUTES - FEBRUARY 9, 2001

**CALL TO ORDER**

Mayor/Chairman Kennedy called the special meeting to order at 4:27 p.m.

**ROLL CALL ATTENDANCE**

Present: Council Members Carr, Chang, Sellers, Tate and Mayor Kennedy

**DECLARATION OF POSTING OF AGENDA**

This meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2. on Friday, February 9, 2001.

**1. REVIEW OF LEGISLATIVE BILLS/ISSUES OF CONCERNS ON BEHALF OF THE CITY**

Senator Bruce McPherson indicated that energy remains the main issue of concern. Education continues to be of importance, especially when it comes to testing. Of concern is how to recruit teachers to areas where housing costs are high. Under discussion is pay level standards.

Mayor Kennedy suggested that housing allowance be considered as an incentive to recruiting teachers based on location.

Senator McPherson indicated that he serves as vice-chairman to the Education Committee. It is being proposed to put new life blood in education as well as career and technology training. He stated that it has been found that three-fourths of high school students do not graduate from college. He addressed the following:

- ▶ Implementation of Proposition 36 will have an impact on counties, particular to health services as it relates to treatment versus incarceration. Counties will have to come up with programs on how they are going to provide and implement services.
- ▶ He is working on a library bill.
- ▶ He will be meeting with traffic individuals in the next two weeks. He indicated that the widening of Highway 101 is still on schedule with construction to begin summer 2001.
- ▶ He is trying to improve the rail system to south county, Salinas, Monterey and Santa Cruz counties. He stated that there is concern from Santa Cruz supervisors of the potential for population growth with Caltrain expansion.
- ▶ He is chairman of Public Safety and vice-chairman of Education.
- ▶ He will continue to serve on the appropriation and budget committee.
- ▶ He will also serve on the Natural Resources and Transportation committee.
- ▶ It has been indicated that there is interest in purchasing open space and recommended that funding requests be submitted by March 2001.
- ▶ He indicated that a bill package has not been finalized and recommended that legislative issues be forwarded to the legislative counsel.

Mayor Kennedy inquired as to the nature of funding under the park bond? Senator McPherson stated that there are funds available for community centers, parks, open space and/or neighborhood/downtown parks. He indicated that a large amount of funding has been distributed from this funding source. He stated that there may be a possibility of receiving funds to acquire a soccer field.

Vice-chairman Sellers stated that a community park and community center will require land acquisition. Senator McPherson suggested that staff submit requests for land acquisition for the soccer field, community center, and community park in writing.

City Manager Tewes informed Senator McPherson that the City is working with Santa Clara County on the construction of a new courthouse facility. The city is interested in co-locating a police facility in association with the courthouse.

Senator McPherson informed the City Council that \$400 million was to be set aside for jail facilities. However, he was not sure what will happen to the budget as it has not yet been adopted. He indicated that the State is interested in funding law enforcement. He felt that the chances in attaining funding were better this year than they were last year.

Council Member Chang asked if there is funding available for medical services?

City Manager Tewes clarified that the city is working on a community-based institute for medical services. He noted that some legislators have expressed concern with community hospital closures.

Senator McPherson stated that he was not aware of any specific funds or category that would assist medical facilities at this time. He indicated that budget committees have not been appointed and that he was not sure which committee he would be appointed to.

Senator McPherson stated that an issue that will come up is reapportionment/redistricting. He indicated that census tracts will be made available in mid March or April and that there will be discussions on where the lines are to be drawn. He did not believe that Santa Clara County will not be kept whole but that it is his intent to keep counties whole.

Mayor Pro Tempore Sellers expressed concern that Morgan Hill is represented.

Mayor Kennedy said that he has a problem with redistricting. He noted that Morgan Hill is part of Senator McPherson's district. He did not believe that Morgan Hill fits the agricultural district represented by Senator McPherson and that Morgan Hill is more associated with Silicon Valley.

Senator McPherson stated that he would like to maintain a sense of community. He felt that there may be a possibility that Morgan Hill and Gilroy would be placed in a different district.

Senator McPherson stated that he has not taken a position on the proposal by Calpine to locate a facility in the Metcalf area. He noted that the State of California is experiencing an energy crises that will not be resolved in two years. He felt that there are environmental concerns that apply that need to be taken into account.

Council Member Sellers felt that Calpine could be built as long as there are no impacts to Morgan Hill residents.

Council Member Tate noted that the air quality issues associated with a power plant have not been discussed.

Council Member Sellers addressed Proposition 36 and expressed concern with its implementation.

Senator McPherson stated that \$120 million has been appropriated toward implementation of Proposition 36, noting that this funding cannot be used for drug testing. This program has to be in place by July 1, 2001. It was his belief that the program would have to be implemented using existing facilities. He was not sure how the program will be put in place within a four-month period and felt this is a legitimate concern.

Council Member Carr indicated that the Santa Clara County Cities Association has expressed concern with group facilities as they are exempt from local control. There will be concerns associated with the implementation of Proposition 36 to neighborhoods if local control is not included. He urged Senator McPherson to keep local control in mind.

Council Member Carr stated that the major crisis to be dealt with by the State are energy, schools and housing. He stated that developers have expressed concern with insurance/bonding against litigation.

Senator McPherson stated that he understood the concern. He felt that there would be some funding to assist, noting that this issue was raised two years ago but did not receive a lot of attention at the time. He said that it is difficult to get into the bonding business, especially with the current State surplus. He felt that it would be difficult to place the issue on the ballot. He felt that the state would have to encourage tax credits or other benefits in order to provide affordable housing.

Mayor Kennedy recommended that the State give cities property taxes and/or incentives as is being proposed with the construction of new power plants. He inquired when the power plant located in Moss Landing would come on line? Senator McPherson responded that the Moss Landing power plant is moving right along and that it would be producing more power in an efficient and clean manner. He concurred with the concept of providing tax credits to power plant companies for improving said facilities.

Council Member Tate stated that the Morgan Hill Unified School District is frustrated with the delay in obtaining construction funds. Senator McPherson apologized for the changes to formulas and resulting delays.

Council Member Carr indicated that the location of the new high school is coming to a closure. Senator McPherson requested that staff advise him as to what he can do to assist in this matter.

Council Member Carr stated that the voters in Morgan Hill passed a bond measure based on financing, noting that the rules changed as they relate to construction dollars. He indicated that what was originally passed by the voters has been changed by Sacramento, resulting in not receiving modernization funds. He stated that it is frustrating that things are happening that are out of the local

jurisdiction's control. Senator McPherson agreed to discuss this issue with education personnel.

Council Member Carr inquired about the extension of Bart service to Santa Clara County. Senator McPherson stated that Contra Costa would be the first to receive Bart services. He indicated that the Governor is adamant about getting Bart into Silicon Valley. He felt that there was a good chance of extending Bart service to Santa Clara County as it is known that this region is important and that people need to be given alternatives to conventional transportation modes.

Mayor Kennedy and Council Member Carr indicated that traffic, the lack of a community hospital, and education are of concern to residents (e.g., local streets are seeing overflow of traffic from individuals trying to bypass the freeway; schools overcrowded and cannot be built/modernized fast enough).

Senator McPherson stated that it is taking longer than anticipated to implement Proposition 14. He advised the City Council that there are other communities in his District who will be seeking library funding. He offered to attend meetings associated with the new library if it is felt that it would be helpful.

Mayor Kennedy indicated that the City is working with the Santa Clara Valley Water District on flooding issues. Senator McPherson stated that \$51 million of flood control funding has been taken out of the budget without anyone's knowledge. He wants this money put back into the budget before it is spent on things such as the energy situation as a substantial amount of money is earmarked for Santa Clara County. In response to Mayor Kennedy's inquiry, Senator McPherson indicated that he was not aware of new development associated with the Pajaro Flood Control Joint Powers Authority. Council Member Sellers felt that cities involved should be represented at table discussions.

Senator McPherson stated that he is investigating reducing the down payment required to purchase homes, bonding issue associated with new construction, and expansion of granny units to existing homes.

Mayor Kennedy informed Senator McPherson that he will be looking at starting a transit village with focus being given to high density adjacent to transit districts.

Council Member Sellers stated that a housing summit was held this morning. A guest speaker stated that there is a push to allow redevelopment agencies to build houses not based on blight but to build housing adjacent to transit districts. It is felt that this is an "outside the box" concept that should be discussed.

Mayor Kennedy stated that the City of Morgan Hill has a successful redevelopment agency program, especially in terms of housing. He requested that Senator McPherson continue to support redevelopment agencies. He recommended that tax incentives be given to communities in order to provide housing.

## **ADJOURNMENT**

There being no further business, Mayor/Chairman Kennedy adjourned the meeting at 5:52 p.m.

**MINUTES RECORDED AND PREPARED BY:**

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**Irma Torrez, City Clerk**